

Attorney for Plaintiff HERITAGE PACIFIC FINANCIAL LLC dba
HERITAGE PACIFIC FINANCIAL

In Re:
MIGUEL ARREDONDO
1201 Allen Street
Modesto, CA 95350

HERITAGE PACIFIC FINANCIAL, LLC.,
doing business as HERITAGE PACIFIC
FINANCIAL.

vs.

MIGUEL ARREDONDO,
Defendant

**DECLARATION OF BEN GANTER IN
SUPPORT OF PLAINTIFF'S MOTION
FOR SUMMARY JUDGMENT OR IN
THE ALTERNATIVE, PARTIAL
SUMMARY JUDGMENT**

[Notice of Motion and Motion; Statement of Uncontroverted Facts and Conclusions of Law; Memorandum of Points & Authorities and Declaration of Brad A. Mokri; Declaration of Mark Schuerman; and [Proposed] Judgment filed concurrently herewith]

[F.R.C.P. 56 & F.R.B.P. 7056]

1 I, Ben Ganter, declare as follows:

2 1. I am the Director of Client Relations for Heritage Pacific Financial, LLC
3 d/b/a Heritage Pacific Financial. I am familiar with Heritage Pacific Financial's regular course
4 of business and its operations within the secondary mortgage market. I participate in the
5 purchase of mortgage notes on the secondary market, on behalf of Plaintiff Heritage Pacific
6 Financial. I am competent to make this declaration and the facts stated in this declaration are
7 within my personal knowledge and are true and correct unless otherwise stated herein.

8 2. When purchasing loans on the secondary market, Heritage Pacific Financial
9 relies *only* on the information provided on the loan application (otherwise referred to as the 1003
10 Application or Uniform Residential Loan Application).

11 3. When seeking to purchase a note on the secondary market, Heritage relies on
12 the stated income of the borrower, the borrower's assets and debts, occupation, and other real
13 property as set forth on the 1003 Application. The borrower signs an "Acknowledgement and
14 Agreement" representing to the lender, its agents, brokers, processors, attorneys, insurers,
15 servicers, successors and assign that the information provided in this application is true and
16 correct.

17 4. By signing the "Acknowledgement and Agreement" the borrower intends to
18 make these representations to any subsequent note holders, like Heritage Pacific Financial. This
19 acknowledgement and agreement is an essential clause to which Heritage Pacific Financial relies
20 on in purchasing the notes from the Lender. Absent this clause, Heritage Pacific Financial would
21 have no incentive to purchase these notes, and the risk of loss would gravely outweigh the cost.

22 5. By relying on the representations contained within the 1003 Application,
23 such as income, assets, occupation and other properties, Heritage Pacific Financial assumes that
24 even if the borrower defaults, Heritage Pacific Financial will still be able to collect on the note
25 considering the amount of income the borrower has represented to make annually. For example,
26 Defendant ARREDONDO made the following representations, to which Heritage Pacific
27 Financial relied on when purchasing the subject notes:
28

DECLARATION OF BEN GANTER

1 a. Miguel Arredondo represented on the 1003 Application (A true and correct
2 copy of the 1003 Application is attached as **Exhibit B** to Plaintiff's Memorandum of Points and
3 Authorities) that he was the owner of Mike's Landscaping and earned \$15,000.00 per month. He
4 further represented that he had other assets valued at \$1,214,317.00 including real estate valued
5 at \$1,054,000.00 and liquid assets of \$35,317.00.

6 6. Heritage had no knowledge and had no reason to know, that the information and
7 documentation provided by Defendant contained false information and in reliance thereon
8 approved the loan. Had Heritage Pacific Financial known that the actual income of the borrower
9 was falsely stated on the 1003 Application, Heritage Pacific Financial would not have purchased
10 that note.

11 7. The lender fully performed and Defendant acquired title to the property. Defendant
12 ARREDONDO executed a promissory note and the loan was secured by a second deed of trust
13 (second mortgage) recorded against the subject property. A true and correct copy of Defendant's
14 Promissory Note is attached to Defendant's Memorandum of Points and Authorities as **Exhibit**
15 **C**. Heritage is the junior lienholder and holder of the second deed of trust for the subject
16 property.

17 8. Defendant obtained a thirty-five (35) year loan and defaulted within two (2) years after
18 the loan documents were executed. Defendant defaulted on his payment obligations and his
19 obligation to re-verify the information contained in her Uniform Residential Loan Application.
20 A true and correct copy of Defendant's "Certification & Authorization" is attached to
21 Defendant's Points and Authorities as **Exhibit D**; See also **Exhibit B** attached to Defendant's
22 Points and Authorities.

23 9. As Director of Client Relations, I am also familiar with the terms, payments received, and
24 defaults associated with these Defendants and have personal knowledge of the following facts:

- 25 a. Defendant utilized the aforementioned loan, creating a balance due and owing on
26 this loan of \$91,470.00.
27
28

I declare under penalty of perjury under the laws of the State of California and the United States of America that the foregoing is true and correct.

Executed on March 29, 2011 at Dallas, Texas.

Heritage Pacific Financial, LLC

d/b/a Heritage Pacific Financial

By: _____

BEN GANTER

Director of Client Relations and Custodian
of Records for Pacific Financial LLC.

DECLARATION OF BEN GANTER